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THE WHITE HOUSE
Washington
July 29, 1965

MEMORANDUM FOR : THE CABINET
HEADS OF AGENCIES

FROM : Horace Busby
Special Assistant to the President

ABOUT : June Buying

On May 18, the President asked each Department and Agency head to cooperate in a concerted effort to discourage and prevent the practice of accelerated spending in the last month of the fiscal year to use up appropriated funds -- i. e., the practice commonly called "June Buying."

The President wants you -- and your employees -- to know that the initial reports from the Bureau of the Budget indicate your efforts were successful beyond previous precedent or prior expectations. He also asked that you convey to the responsible officials within your Department or Agency his personal appreciation for their assistance and effectiveness in complying with the objectives set forth in his June Buying memorandum.

The preliminary results reported to the President by the Bureau of the Budget on spending in June reflect the following:

1. June expenditures this year were \$159 million less than June spending a year ago.
2. A total of 28 agencies had decreases in spending this June compared with June 1964.
3. It is expected that unused fund balances will exceed \$1.3 billion for fiscal year 1965 compared with \$108 million for fiscal year 1964.

The President is especially pleased with the ingenuity, imagination and close personal supervision applied by many agencies to break the habit of June Buying. Especially noteworthy are these typical examples:

-- The Agency for International Development required each domestic office head to approve personally and have a written justification for all purchases in excess of \$500.

-- The Department of Commerce issued instructions calling for an intensive screening of all requisitions for supplies, materials, and equipment. As a result, over 200 requisitions were cancelled.

-- The Department of Justice held its orders of supplies and equipment in June 1965 to \$1,348,000 compared with \$2,243,000 in June 1964 -- a reduction of 40%. The June 1965 orders for supplies and equipment were also considerably below the planned average of about \$2,000,000 a month in fiscal year 1965.

-- The General Services Administration stores sales for June 1965 (to the various departments and agencies) were some \$3.3 million -- or more than 10% -- below expected sales based on experience of the previous five years.

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